

Bidders may submit bids electronically through PARITY. This Notice of Sale presumes that sealed and faxed bids may also be submitted to both MuniBid and the Issuer. PARITY will then calculate, on behalf of the Issuer, the True Interest Cost for all bids submitted through these various means. The Issuer and financial advisor may dial into PARITY and view receipt of electronic bids as they occur, and may choose to receive copies and calculations of all bids immediately after bid closing. The Issuer/Financial Advisor will then award the Winning Bids based upon review of summarized inputs and TIC [True Interest Cost] calculations received from PARITY.

This statement is inconsistent with applicants' understanding based on press reports (see, e.g., applicants' statement bridging pages 13 and 14 of their 1/24/00 submission). Such press reports reflect that users found PARITY to be lacking because 21st Century had been unsuccessful in integrating the stand-alone BIDCOMP software for calculating interest cost with PARITY. See, e.g., the 5/7/97 Resnick article submitted on 5/29/98:

Joseph McCabe, a vice president of underwriting at J.P. Morgan Securities Inc., said he expects his firm will use 21st Century Municipal Inc.'s PARITY software more often once Bidcomp – a widely used bid-calculation program – can be run alongside it under the Microsoft Windows operating system. That will enable firms to calculate and recalculate bids using the same computer system.

“Right now it is too time consuming to switch back and forth between the two,” McCabe said. “But [PARITY] worked flawlessly and quickly.” (emphasis added)

The understanding that PARITY was unable to perform an interest cost calculation is supported by trade press articles discussing the difficulty Dalcomp had bringing a common bid calculation-submission platform to the market following its acquisition of

the PARITY system in 1998. David Landes, the founder and president of 21st Century, which had owned PARITY prior to its acquisition by Dalcomp, PARITY spoke regarding the redesign of PARITY to work with BidComp over the Internet, and stated that the redesign would mean “that Goldman, Sachs [& Co.], for example, can calculate their bid using BidComp, and then – with a touch of a button – submit it.” (Richtmyer, 2/25/98 listed on the attached PTO-1449). See also, Whalen, August 19, 1998 (listed on the attached PTO-1449), which describes comments by Dalcomp executives PARITY promoting the modified PARITY system on the grounds that it would permit underwriters to “use a single platform to calculate and submit their bids and communicate with other members of their syndicates through the Dalcomp messaging system.”

Applicants have withdrawn their allowed application from issue to give the Examiner the opportunity to consider all of this information and reach his own conclusions.

There appears to be an enablement issue as to whether the PARITY system had the capability, prior to applicants’ effective filing date, to compute an interest cost value. However, to expedite further processing of this case, applicants have taken a conservative approach of further amending their claims to more particularly point out their invention by additionally requiring the use of a web browser. Support for this claim limitation may be found, for example, on page 8, lines 22-23 of the applicants’ specification (“computers are provided with conventional web browsing software to obtain access to the

auctioneer's web site"). This limitation differentiates applicants' invention from the PARITY system as it existed prior to applicants' effective filing date -- which required special PARITY software to access a server over a modem. See e.g., the 1992 PARITY brochure (of record) ("On the day of the sale, potential bidders access the PARITY network to view the sale and enter bids using their own PC, modem and PARITY software"); and one-page document submitted herewith entitled "Financial Advisors/Issuers see the following data for each bid and for each issue by dialing 206-635-0940 (this information only shows after the deadline for receipt of bids)." See also applicants' specification at page 3, lines 29 *et seq*; and the trade press articles cited above.

Applicants have also amended their claims to change "fixed income securities" to "fixed income financial instruments." Support for this change can be found, for example, at page 20, lines 15-16 ("although the embodiments herein relate to financial instruments such as municipal bond auctions ..."). Applicants have also added new claims 88-121 dependent on claim 85. The following chart shows that most of these new dependent claims track claims already in the case:

New Claim Dependent On Claim 85	Existing Claim Dependent On Claim 65
88	66
89	67
90	68
91	69
92	70
93	71
94	72
95	73

New Claim Dependent On Claim 85	Existing Claim Dependent On Claim 65
96	74
97	75
98	76
99	77
100	78
101	79
102	80
103	81
104	83
105	2
107	4
109	6
110	9
111	11
112	3
113	7
114	8
115	10

The following shows example specification support for new dependent claims

106, 108 and 116-121:

New Dependent Claim	Example Specification Support
106	Page 14, lines 20-21; page 15, lines 14-16
108	Page 14, line 13; page 17, lines 12-15
116	Page 14 lines 20-21; page 15, lines 14-16
117	Page 8, lines 21-23;
118	Page 15, lines 22-24
119	Page 15, lines 24-26
120	Page 16, lines 1-2
121	Page 15, lines 22-24; page 16, lines 3-6


Harrington et al.
Serial No. 09/087,574

For the Examiner's convenience, applicants' are attaching a copy of all claims now pending in this case.

Applicants respectfully request early and favorable action in this Continued Prosecution Application.

Respectfully submitted,

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